

# **Northwest Washington Freight Mobility Summit**

## **Meeting Notes**

**8.00 am to 10.00 am; Wednesday, May 25, 2005**

Sponsored by the Whatcom Council of Governments and the Washington State Department of Transportation

### **Meeting Location**

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The meeting was held at the Bellingham Cruise Terminal in Bellingham, Washington.

### **Introduction – Gordon Rogers, Planning Director Whatcom Council of Governments**

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Gordon Rogers opened at 8:10 am and thanked the attendees for coming. He also welcomed the elected officials in attendance.

Purpose of the summit:

- Provide a forum for local, state and federal elected officials and their staffs to hear the business community's priorities for freight investment.
- Acquaint freight system users with the Washington Transportation Plan (WTP) emerging freight recommendations.
- Invite feedback on the WTP draft freight recommendations. Please see <http://www.wsdot.wa.gov/freight/images/WTP%20Exec%20Summary.pdf> for an overview.
- Feature an interactive discussion between regional shippers and carriers, and government decision makers regarding the region's freight transportation system.

### **The Washington Transportation Plan – Elmira Forner, Washington Transportation Commissioner**

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Elmira Forner, of the 7 - member Washington Transportation Commission appointed by the Governor and confirmed by the Senate, reviewed the purpose and process for the Washington Transportation Plan 2005 Update.

- Emphasis on how the WTP relates transportation needs to business and the economy.
- Freight, which is important to the economy of the state, cannot be looked at in isolation. It is one of many key elements to be considered in the state system, others include safety and preservation.
- The WTP recommendations will be used to guide future funding packages and policy direction. It is important to hear about priorities and needs from the users of the network.

Elmira invited feedback from the region on the WTP emerging recommendations and freight transportation system needs.

### **Northwest Washington Shippers & Carriers Panel – Business Perspective on Transportation Needs**

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#### **1. Patrick Pollock – Alcoa Intalco Works, Maintenance and Reliability Manager**

Patrick Pollock provided a PowerPoint presentation. Please see

<http://www.wsdot.wa.gov/freight/images/Freight%20Summit/5-25-05freight-pollock.pdf>.

Company information/ overview:

- Alcoa's aluminum smelter is one of two in Washington State.
- The Ferndale smelter is the safest aluminum smelter in the Alcoa system.

- The company must truck through the city of Ferndale.
- Alcoa does not own ships coming to the Alcoa port. They are international ships and the Coast Guard accompanies their arrival.
- Alcoa must also manage the intake of its gas pipeline.

Performance requirements of freight system:

- Alcoa's inbound and outbound freight systems rely on all modes: waterway, truck, rail, and utility corridors.
- Safety, security, and cost are the company's biggest concerns.
- Maritime security levels are a concern. At MARSEC level 3, the facility shuts down.
- It takes approximately five days to unload a ship. If this is exceeded, the cost penalty is as much as \$40,000 a day.

Transportation issues and recommendations:

- Reduce rail system disruptions. When the rail system to Wenatchee closed, their company had to add 160 trucks hauling aluminum to the road network along I-5 and I-90. This increased the cost of business, reduced safety, and increased general congestion.
- Rail issues include safety and environmental concerns. Dispatching, congestion at yards, and lost cars are problems.
- Road congestion is a big concern as it affects the cost of business. Example given of an accident on I-5 in downtown Seattle that shut down the corridor for 2 hours. This affects their business.
- Short supply of dispatchers and high fuel costs threaten business.
- The Ferndale smelter will most likely shut down if there is no turnaround in energy costs.
- Environment, spills, noise, and exhaust are ongoing issues the company must mitigate.

Patrick concluded that Alcoa considers what is within their control and what can they influence. They try to make contingency plans to deal with issues outside of their control and stay involved in government processes (i.e. WCOG and WSDOT) to make sure plans consider their business needs.

## **2. Andrew Johnsen – Burlington Northern Santa Fe Railway, Government Affairs Representative**

Andrew Johnsen gave a PowerPoint presentation on BNSF's role in the U.S. freight rail system. Please see <http://www.wsdot.wa.gov/freight/images/Freight%20Summit/5-25-05freight-johnsen.pdf>.

Company information/ overview:

- The focus of BNSF's investment strategy over the last few years has been on infrastructure.
- The company recently purchased 400 new locomotives in preparation for the forecasted increase in freight rail traffic, 250 more locomotives are planned to be purchased.
- Most of BNSF's focus has been on increasing lines of business related to strong growth on the east- west corridor.

Performance requirements of freight system:

- They are a private company and must show a profitable business to owners. Investments must cover cost of capital

Transportation issues and recommendations:

- Growing rail demand that exceeds current capacity.

- Ongoing struggles with right-of-way and track conditions.
- Congestion at bottleneck points, such as ports.
- Financing infrastructure for rail improvements is difficult and must be justified.
- Continuing programs for rail safety.

### **3. Earl Archibald – Desticon Transportation Inc., General Manager**

Earl Archibald welcomed this process, and noted that it is an important opportunity for business and government to meet the growing challenge of improving transportation in the face of increased commercial movements together.

Company information/ overview:

- Desticon is a re-load facility located in Sumas, Washington.
- Its primary product is softwood lumber imported from Canada.
- Lumber comes in to their facility and gets redistributed by rail (BNSF) and truck to destinations all over the U.S.
- Demand is surging with the construction/ housing boom.

Performance requirements of state freight system:

- Mitigate challenges of border security and increased requirements, fast and reliable service need.
- Increased security needs conflict with their business need to reduce costs.

Transportation issues and recommendations:

- The company has trouble with extensive border delays and confusion over new programs, including ACE and PAPS. They face greater and greater challenges each year with increasing security requirements.
- Desticon brings approximately 8,000 trucks across the border each year. Border delays can add one hour of additional processing time for each truck.
- Recommends simplifying the border crossing process and reducing required paperwork. The goal is less red tape in daily processes, which has not happened.
- Weight restrictions on trucks are an issue. Trucks have to be unloaded and then reloaded in order to meet Washington's weight restrictions, which are lower than in Canada. There is a heavy haul road in Sumas that has been built to carry trucks at the higher Canadian weight limits.

Desticon welcomes the opportunity to work with local officials to discuss these issues and find a better way to deal with everybody's concerns.

### **4. Steve McQueary – Brown Line Inc., General Manager**

Company information/ overview:

- Brown Line is a cross-border trucking company that deals with numerous border issues.

Performance requirements of state freight system:

- Brown Line's trucks are refrigerated and require on-time delivery of goods across the border.

Transportation issues and recommendations:

- More use of border crossing programs and technology to help expedite the crossing of commercial goods and improve traffic flow.
- New C-TPAT and FAST programs are working for the company. Automated Commercial Environment (ACE) and electronic manifest systems also help. Using the new manifest

system satisfies all the requirements, allows them to enter information using a web portal, and provides the inspector with all needed information (eliminating questions that bog down the crossing process).

- Steve encourages other companies to join these programs to further expedite border crossings. He believes these programs will become mandatory in the future. U.S. Customs & Border Protection has done their part in developing this system, now carriers have to do their part and participate.

### **Regional Freight Data - Hugh Conroy, Whatcom Council of Governments Project Coordinator for the International Mobility & Trade Corridor Project (IMTC)**

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Hugh Conroy reviewed data the IMTC and WCOG have been using to help understand what is happening on the freight system. Details and charts summarizing statewide truck origin, destination, and commodity flow (relative to Whatcom County) were presented and handed to attendees. See <http://www.wsdot.wa.gov/freight/images/Freight%20Summit/5-25-05freight-conroy.pdf>.

- One data source used is the Surface Freight Transportation Analysis (SFTA), which was completed in 2003 and 2004 by Washington State University and WSDOT. It includes truck surveys conducted at 30 locations throughout the state (weigh stations).
- The results help illustrate the movement of commercial goods and possible areas for improvement.
- One pattern that emerged from the data is that a large amount of empty trucks are heading to and leaving from Whatcom County (30+ percent in each direction). Knowledge of this helps alert WCOG and IMTC of the potential to set up a process for facilitating more efficient use of existing capacity.
- Hugh Conroy stressed that even a modest reduction in empty trips would result in large productivity, capacity, air quality, and safety benefits.

### **Washington's Freight System – Barbara Ivanov, Washington State Department of Transportation Director of Freight Strategy and Policy**

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Barbara Ivanov presented a PowerPoint on the WTP Update's draft Freight Report and emerging recommendations. Please see <http://www.wsdot.wa.gov/freight/images/Freight%20Summit/5-25-05freight-ivanov.pdf>.

- The WTP is a blueprint for transportation programs and investments. The plan covers all modes of the transportation system and sets statewide investment priorities for the next ten years. The 2005 update has been organized into nine themes; moving freight is one of them.
- The freight report's purpose is to provide decision makers with a databased rationale for strategic investment in Washington's freight system. The report analysis explains who the customers of the freight system are, why they matter, what performance they need, where the gaps are located, and how to make the most productive investments in the system.
- Barb provided a summary of what WSDOT has learned about the three freight systems operating in Washington: Global Gateways, Made in Washington and Delivering Goods To You.
- Barbara shared the emerging recommendations from the freight report and requested feedback.

### **Discussion of Northwest Washington Freight Priorities**

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**Gordon Rogers** opened the discussion to local business representatives for input and discussion. Attendees were asked to discuss their transportation-related issues, problems, and priorities.

**Jim Jorgensen** of the Port of Bellingham asked about the slowdown and congestion on BNSF's Canadian border crossing in Western Washington.

**Jay Brandt** of U.S. Customs and Border Protection replied that the need for the Swift siding project (one of WTP emerging freight recommendations) was driven by new security requirements. He noted that the state and BNSF are contributing to infrastructure improvements.

**Lois Young** of Skagit River Steel commented that there is a long history of frustration and talk about road congestion. As politicians changed, interests changed. She sees businesses forced to try and work around transportation problems on their own.

**Lois** also expressed concern about residential homes moving in on industrial/ business areas. She feels that many businesses try to locate on the system to use the transportation network. However, industrial areas are reduced for housing and businesses are pushed to the fringe since no one wants to live near them. They are forced to locate far from the transportation network. Another historical problem Lois noted is poor siting of transportation facilities, such as rail yards and ports in metro areas, which often conflict with the most effective land use needs.

**Barbara Ivanov** of WSDOT responded that the relationship of land use and transportation is critical, and is being considered in the WTP planning process. For a long time, this issue was not fully appreciated in long- term planning.

**Elmira Forner**, Washington Transportation Commissioner, added that the Growth Management Act, established in 1990, was designed to better address land use issues and to improve the connections between industrial, commercial, and residential areas with the transportation network. Elmira agreed that there are still many issues with GMA compliance and protection of industrial areas.

**Mayor Mark Asmundson** noted that land use decisions are made at a local, rather than statewide level. He noted that this is probably the best since people live and work at the local level, but they still rely on good information. The Mayor described WCOG's Community Transportation Advisory Group (CTAG) as an excellent example of developing the opportunity for community businesses and citizens to interface with transportation and land-use decision makers. He noted that people in the community who care about freight issues need to know about CTAG and know that it is an excellent forum to voice your concerns.

**Patrick Pollock** of Alcoa Intalco Works commented that use of the full intermodal transportation systems is also critical for achieving an effective use of existing infrastructure. He felt that a greater use of regional waterways would help reduce congestion along I-5 and meet growing capacity needs. He noted that the shipping facility at Alcoa is underused and there are heavy industrial zones in Ferndale with rail and water access not being used. Their company would like to move more freight by barge and would like to see growth around the Cherry Point plant. He stressed the importance of asking how we will spend our money today and 20 years from now.

An **audience member** commented that a lot of state and local money has gone into the beautification of regions and less to protecting freight corridors. They also feel that there are too many efforts to restrict corridor access and limit the movement of commercial goods.

**Elmira Forner**, Washington Transportation Commissioner, responded that this is the first year that freight has received such a high profile in the WTP and transportation planning process, not just in Washington but also across the nation. She hopes that this new focus will improve the preservation and funding of freight corridors. However, she noted that it is always a difficult decision on how to spend transportation dollars, especially in a state that spends relatively little on its transportation system. Transportation in Washington relies on the gas tax, and does not get supplemented from the general fund as in many other states.

**Karen Schmidt** of the Freight Mobility Strategic Investment Board commented that there is a need to develop a flexible freight plan because freight movement continues to change. What is traveling between two areas now may choose another route ten years down the road. The trick of transportation planning will be to operate quickly and keep up with the speed of commerce.

**Doug Smith** of the Port of Bellingham noted the reemerging soft wood lumber market and how weight restrictions inhibit the growth of this industry. He feels that Whatcom County gets more penalized by these restrictions because it borders Canada.

**Karen Schmidt** responded that the weight restrictions are federally mandated and cannot be changed by WSDOT. Changes need to be made in the federal law.

**Dodd Snodgrass** of the Port of Bellingham raised the issue of empty trucks, which constitute a large percentage of truck trips in the region, and how to better reduce truckloads. He asked what market solutions are needed to do better business?

**Lloyd Ludtke** of Ludtke-Pacific Trucking, Inc expressed concerns about the construction of roundabouts on the Guide Meridian (State Route 539). The concern from the trucking perspective is that the roundabouts are not being designed large enough to accommodate the turning radius and size of a truck. Mr. Ludtke added that current designs would require a truck to take up two lanes of traffic in the roundabout, which is a safety and liability hazard. He said that large equipment movements would be also difficult in roundabouts. He suggested a truck indicator signs or a red light to alert travelers that a truck was going to take more than one lane.

**Representative Doug Erickson** asked where the roundabout idea first came from.

**Tim Hostetler** of WSDOT responded that this idea has been under development in the agency for some time to address issues related to having a high-speed separated highway. Safety is the primary, documented benefit. He feels that roundabouts have proven themselves effective in other regions.

**Gordon Rogers** of WCOG added that roundabouts provide access to the other side of the road when you have a divided highway.

**Bob Distler**, Washington Transportation Commissioner, remarked that roundabouts were first developed in Europe and are widely used. However, they are not used on freight corridors.

**Sheryl Hershey** stated that there has to be a better solution than roundabouts.

An **audience member** asked about the commerce corridor concept recently studied and if it would be wise to fund redundancies in the system. If something happens to I-5, there is no alternative for moving traffic.

**Representative Doug Erickson** responded that the study determined that a commerce corridor parallel to the I-5 corridor would not be feasible. The concept of the corridor, especially north of Seattle, was also determined infeasible due to lack of private sector funding interest and market-based feasibility.

An **audience member** suggested a state incentive program to encourage businesses to have shipping and receiving at night during off-peak traffic times.

**Barbara Ivanov** of WSDOT responded that while this is a good idea, there are issues as small businesses cannot open at night to receive goods. These are usually small, single owner business (mom and pop stores). She noted that most freight movements in metro areas are small shipments to small stores; they just cannot receive in the middle of the night.

### **Closing Remarks – Elmira Forner, Washington Transportation Commissioner**

Elmira Forner closed the summit by stressing the importance of local participation in the planning process, and the need for tighter partnerships between private industry and governments. The goal is to look out ten years and identify what kind of transportation system we need. How will we develop intermodal connectivity? How will we address the legislative requirements needed for these improvements?

Gordon Rogers adjourned the meeting at 10:40am.